

## MEMORANDUM

To: David Nicoli  
From: BMSK  
Date: March 28, 1996

---

*Political Assessment of the Industry*

The industry's position on Capitol Hill is weaker than it has ever been. Our friends and allies are confused and pessimistic, though still with us. The Members and Senators who have quietly supported us, but never been real comfortable about it, would go south if we had to vote on a tobacco issue today.

The news on the so-called "whistleblowers" damages our credibility with the quiet supporters and puts our strong allies on the defensive. Most of them (both categories) probably privately believe the whistleblowers' stories.

The LeBow settlement creates the first major public break in the industry's united front on legal and public policy issues. That distresses our allies. It causes both allies and quiet supporters to be pessimistic about our future financial success.

All this comes at a very bad time, with the Administration poised to promulgate FDA regulation of tobacco. On the merits of that question, as a regulatory issue, we have a lot of support on the Hill. If the issue is viewed by Congress, not as regulatory, but as a question of the companies' conduct in determining the role of nicotine in their product, our support will vanish.

*Actions to be Taken**Corporate PM*

PM should undertake a massive, multi-media advertising and public relations campaign to inform every American about the Action Against Access program and what PM has done to fulfill its promises. Elaboration of this case has been given to you orally.

2047300321

-2-

Responding to the press and the whistleblowers on the nicotine issue is obviously a delicate question. The lawyers properly tie your hands and prevent a full-fledged defense providing all relevant facts. But, some limited response composed of two to three talking points that factually undercut the whistleblowers must be presented to the free media by PM executives. A limited, pat, but persuasive response that can be widely circulated and repeated with great discipline.

### ***Washington PM***

When Congress returns in mid-April and, hopefully, in conjunction with the massive advertising campaign on AAA, our lobbying teams should hit the Hill and brief key Members and Senators on AAA and what has been done. We have made this presentation to a few Members and it has been well received. Now, is the time to arm all our allies with this information and use it to reel in the quiet supporters who may be headed south.

Whatever the corporate PM response is on nicotine, we need a communication to the Hill presenting the exact same message. My idea would be to have a one-page letter to each Senator and Congressman (except hard-core antis) from Mr. Bible that our lobbyists would hand deliver, in person where possible, to ensure readership.

These talking points, even if limited, are desperately needed.

Simply said, we need to respond on the nicotine issue to at least finesse it and get folks on the Hill to understand that the jury is out on that issue, then go on offensive big-time on AAA. We have a great program, we have been implementing it, and have a good story to tell.

### ***Members Taking Tobacco Money***

This campaign is getting a lot of attention and is becoming a problem with a few offices. In the end, candidates act in their own self-interest, so few who have taken our money in the past will stop taking it, i.e., the Montana story that was circulated. But, this is just one more good PR move by the antis that puts us on the defensive on yet another front. We do believe it will have little lasting impact.

2047300322